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SUBJECT: MALAWI: PRESIDENT FIRES TWO IN CABINET RESHUFFLE

¶1. (SBU) Summary: President Mutharika reshuffled his cabinet on Feb. 8 for the sixth time since taking office in 2004. Mutharika removed Minister of National Defense Bob Khamisa, who is involved in a fertilizer subsidy coupon scandal, and Minister of Health Marjorie Ngaunje. Despite criticism from the press and the opposition, Mutharika retained the positions of Minister of Education, Science, and Technology and Minister of Agriculture for himself. The position of Minister of Presidential and Parliamentary Affairs was abolished. The former occupant, Davies Katsonga, was moved to Minister of Labor, signaling that the President's brother, Washington University (St. Louis) School of Law Professor Dr. Peter Mutharika, may now be the President's closest advisor. End Summary.

¶2. (U) On February 8, President Mutharika announced a new cabinet, his seventh since taking office in May 2004, and the first reshuffle since May 2007. The move appears to have been precipitated by the December death of the Minister of Women and Child Development and the recent embarrassment of the Minister of National Defense, Bob Khamisa, in a fertilizer subsidy coupon scandal. In December, Khamisa was exposed giving fertilizer subsidy coupons to opposition party members. The coupons were reportedly given to all government ministers for use in their districts, sparking a controversy over the misuse of the subsidy for political purposes (septel).

¶3. (SBU) In addition to Khamisa, Mutharika removed Minister of Health Marjorie Ngaunje from the cabinet. Ngaunje alienated her civil service staff and refused to delegate to them, despite having no medical training herself. Ngaunje's lack of understanding also undermined the previously successful sector-wide approach developed by the government of Malawi and donor nations to implement a six-year comprehensive health plan. Ngaunje is also engaged in a leadership struggle with Democratic Progressive Party (DPP) Eastern Region Governor Lucius Kanyumba in the constituency to which she was elected as an independent in 2004.

¶4. (SBU) President Mutharika retained the positions of Minister of Education, Science, and Technology and Minister of Agriculture himself despite vocal criticisms from the media and opposition about the poor performance of these ministries during the past nine months. The Ministry of Education was undermined when staff leaked the national secondary school examination and answers to the public, resulting in a costly re-write of the exam and delays in testing of graduating students. The Ministry of Agriculture was also beset by problems in the distribution of fertilizer subsidy coupons and bags of fertilizer amid claims of favoritism. Many have further claimed that Mutharika's decision to sell surplus maize to Zimbabwe is contributing to the current high prices of the commodity in Malawi.

¶5. (SBU) In total, Mutharika shuffled seven existing ministers and elevated two deputy ministers to ministerial posts. While some moves were minor, the post of Minister of Presidential and Parliamentary Affairs was abolished. The new Minister of Labor, Davies Katsonga, formerly held the post and was seen as the right-hand man to President Mutharika. Katsonga recently led the Malawian delegation that negotiated and signed the memorandum of understanding to recognize the People's Republic of China. Media

and opposition suggested the demotion of Katsonga means the president's brother and special advisor on legal affairs, Dr. Peter Mutharika, is now the president's closest advisor.

¶16. (SBU) Additionally, Mutharika moved Henry Mussa, who had served as Minister of Transport, Public Works, and Housing for the past 4 years, to Minister of Industry and Trade. (Comment: Mussa is widely seen as a dependable administrator and some have speculated that the move is in response to private sector concerns about the Ministry of Industry and Trade.) This move forced a chain reaction with Henry Chimunthu-Banda, the former Minister of Energy and Mines, replacing Mussa at Transport, Public Works and Housing; Ted Kalebe, former Minister of Economic Planning and Development, replacing Chimunthu-Banda at Energy and Mines; and Ken Lipenga, former Minister of Industry and Trade, replacing Kalebe at Economic Planning and Development. Two of our most frequent Ministerial contacts, Finance Minister Goodall Gondwe and Foreign Minister Joyce Banda, retain their positions.

¶17. (SBU) Comment: Mutharika has changed his cabinet roughly every 8-9 months since taking office, so the timing of the latest reshuffle is not unusual. Both Khamisa and Ngaunje were long-rumored to be on their way out of the cabinet. The surprising demotion of Katsonga to Minister of Labor, a post that represents in Malawi a warning that the incumbent is on the last slippery step to an exit from Cabinet, could stem from published accusations (denied by Katsonga) that he had taken a "sweetener" from the PRC during the negotiations over the switch from Taiwan. It also may represent the increased involvement of the president's brother in politics and leadership squabbles within the president's Democratic Progressive Party as planning and posturing for the 2009 general election begins in earnest.

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